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TILE, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

TILE, INC.,

Plaintiff,

v.

TRACKR, INC., and CHRISTOPHER
HERBERT,

Defendants.

Case No.: _____

**COMPLAINT FOR (1) FEDERAL
TRADEMARK INFRINGEMENT;
(2) CYBERPIRACY; (3) VIOLATION OF
FEDERAL UNFAIR COMPETITION
LAW; (4) COMMON LAW TRADEMARK
AND TRADE NAME INFRINGEMENT;
(5) VIOLATION OF CALIFORNIA
STATUTORY UNFAIR COMPETITION
LAW; AND (6) COMMON LAW UNFAIR
COMPETITION**

DEMAND FOR JURY TRIAL

FENWICK & WEST LLP
ATTORNEYS AT LAW
MOUNTAIN VIEW

INTRODUCTION

1
2 1. Plaintiff Tile, Inc. (“Tile”) files this Complaint against TrackR, Inc. (“TrackR”) and its CEO and co-founder, Christopher Herbert, (collectively, “Defendants”) to enforce Tile’s
3 exclusive right to its name and marks. Tile has endured over a year’s worth of unfair competition
4 and unsavory business tactics directed by TrackR and its CEO. Although Defendants initially
5 pledge to comply with Tile’s requests and desist from the unfair business conduct, they eventually
6 slip back into their old habits, including the willful infringement of Tile’s trademark rights. One
7 of Defendants’ latest willful infringements is the registration and use of the www.thtileapp.com
8 domain. Defendants have no justification for using this domain which is one letter different from
9 Tile’s domain at thetileapp.com. Defendants’ improper domain is missing the “e” in the letter
10 “the.” Defendants’ use of the thtileapp.com domain is classic typosquatting. Defendants are
11 attempting to mislead and capture consumers who in seeking Tile’s website mistakenly forget to
12 type the “e” in “the.”

13
14 2. Tile seeks, among other remedies, an injunction prohibiting Defendants from using
15 Tile’s name and marks and precluding Defendants’ continued use of the website domain
16 thtileapp.com. Tile further seeks damages and its attorneys’ fees in connection with this
17 litigation.

THE PARTIES

18
19 3. Tile is a California company that develops and sells tracking devices that, with
20 Tile’s network and mobile application, help people locate the things that matter to them most.
21 Tile maintains its headquarters at 2121 S. El Camino Real, San Mateo, California 94403. Tile
22 sells throughout the United States and internationally, including in this judicial district.

23 4. Tile is informed and believes, and thereupon alleges, that TrackR is a California
24 corporation, with its principal place of business at 19 W. Carrillo St., Santa Barbara, CA 93103.
25 TrackR also sells tracking devices, including the TrackR Bravo and TrackR Atlas, that operate
26 with TrackR’s own mobile application. TrackR is a direct competitor of Tile.

27 5. Tile is informed and believes, and thereupon alleges, that Christopher Herbert is an
28 individual and the CEO and Co-Founder of TrackR. Tile is further informed and believes, and

1 therefore alleges, that Christopher Herbert receives mail at a business address of 19 W. Carrillo
2 St., Santa Barbara, CA 93103.

3 6. Tile is informed and believes, and thereupon alleges, that TrackR sells or directs
4 the sale of TrackR products in this judicial district.

5 **JURISDICTION AND VENUE**

6 7. This action arises under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*, including the
7 Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d).

8 8. This Court has jurisdiction over the subject matter of this action under 28 U.S.C.
9 § 1331 (federal question); 15 U.S.C. § 1121 (action arising under the Lanham Act); 28 U.S.C.
10 § 1338(a) (any Act of Congress relating to trademarks); and 28 U.S.C. § 1338(b) (original
11 jurisdiction over substantial state-law claims of unfair competition related to federal trademark
12 claims). The Court also has supplemental jurisdiction over this case's state law claims pursuant
13 to 28 U.S.C. § 1367, as they are part of the same case or controversy.

14 9. The Court has personal jurisdiction over Defendants because (i) a substantial
15 portion of the events giving rise to this action occurred in this judicial district and (ii) Defendants
16 purposefully and intentionally directed their actions at California, with the knowledge that injury
17 would occur in this forum. For example, Defendants operate multiple websites targeting Internet
18 users in California and specifically in this judicial district, including at least one website that uses
19 a mark held by Tile. TrackR's websites also purport to provide information regarding the
20 capacities of its goods, or "TrackR coverage," in the Northern District of California.

21 10. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391 because (i) a
22 substantial portion of the events giving rise to this action occurred in this judicial district; and/or
23 (ii) Defendants derive revenue from activity occurring in this judicial district.

24 **INTRADISTRICT ASSIGNMENT**

25 11. Because this action involves intellectual property claims, it is not subject to
26 specific intradistrict assignment.

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GENERAL ALLEGATIONS

Tile's Business and Marks

12. Tile sells sleek, well-designed hardware and software that work together seamlessly to help users quickly and easily find lost items. Tile's CEO Mike Farley started the company to help people keep track of all the things that matter to them. Every user running the Tile app updates the location of each Tile device it detects. With more than 6 million Tiles sold and over half a million items found every day, Tile is a leading provider of tracking hardware and software, enabling a vast network for finding lost items.

13. In addition to the common-law trade name and trademark rights that Tile acquired by virtue of its use of the Tile name and mark, Tile enjoys rights from its federal trademark registrations with the United States Patent & Trademark Office. Tile's trademarks in the U.S. include the following registration for its name.

Mark	Reg. No.	Reg. Date	Goods & Services
TILE	4,672,426	1/13/2015	computer hardware for localization; computer software for geolocation; computer software for creating an on-line community for users to provide assistance to other users, form virtual communities, and engage in social networking; computer peripheral devices for localization computer services, namely, proving temporary use of online non-downloadable software for geolocation; computer services, namely, proving temporary use of online non-downloadable software for creating an on-line community for users to provide assistance to other users, form virtual communities, and engage in social networking

14. Collectively, Tile's common law rights and registrations for its TILE name and mark are referred to as the "Tile Mark."

15. Tile has used the Tile Mark since at least as early as June 2013.

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16. The Tile Mark signify to customers and the public that the goods and services incorporating the marks meet the high standards and values for which Tile is known because the marks signify an association with Tile and its mission to provide sleek and well-designed tracking devices, high-performing tracking software, and extensive support services.

Defendants' Pattern and Practice of Unfair Competition, Including Infringing the Tile Mark and Tile's Commercial Rights

1 TrackR products.

2 23. On December 22, 2015, Tile alerted Defendants to three TrackR-sponsored
3 advertisements featuring Tile copyrighted images. One TrackR advertisement on Twitter
4 contained an image of a Tile device in a person's hand. Defendants removed the advertisements,
5 but failed to compensate Tile for the harm caused by their activities.

6 24. On January 14, 2016, counsel for Tile called counsel for TrackR regarding Tile
7 logos on TrackR's fundraising webpage for the Atlas. Tile sent written confirmation on March 2,
8 2016. Later in March, defendants removed these images, but again did not compensate Tile for
9 harm caused.

10 25. Tile is informed and believes, and thereupon alleges, that Defendants knowingly
11 publish false or misleading advertising to promote and sell TrackR products. Tile's newest
12 design, Tile Slim, is the thinnest Bluetooth tracker on the market, with a width of 2.34
13 millimeters. Tile is informed and believes, and thereupon alleges, that Defendants' TrackR Bravo
14 has a width of 3.5 millimeters.

15 26. Despite the TrackR Bravo's greater width, on TrackR's website
16 <https://www.TrackR.com>, Defendants state:

- 17 • "We looked at many different solutions and quickly realized that none of them
18 would fit inside our wallets.... We have designed **the only device thin enough** to
easily slip inside any wallet."¹
- 19 • "Wallet Thin Design: TrackR bravo uses beautiful anodized aluminum
20 construction for **the thinnest** and most durable **tracking device**."

21 27. Tile is informed and believes, and thereupon alleges, that TrackR, either directly or
22 through delegation to an affiliate, has purchased advertising on social media websites such as
23 Facebook and Twitter with similar language. Tile is further informed and believes, and thereupon
24 alleges, that one such advertisement represented that the TrackR Bravo was "[t]he thinnest
25 tracking device for items." Tile is informed and believes, and therefore alleges, that as the CEO
26 and Co-Founder of TrackR, Christopher Herbert participated in or directed these TrackR
27 advertisements on TrackR's website, fundraising page, and advertisements on social media.

28 ¹ See TrackR's video at <https://www.thetrackr.com/wallet>.

1 28. Tile is informed and believes, and therefore alleges, that Defendants advertise their
2 products with the phrases “Thinnest Tracking Device” and “Better Than Tile” for internet search
3 result purposes.

4 29. Tile is informed and believes, and thereupon alleges, that Defendant Herbert
5 personally registered a website at the domain thtileapp.com (the “Unauthorized Website”) to
6 promote TrackR and sell TrackR products and that Defendants maintain that website. Tile is also
7 informed and believes, and therefore alleges, that Defendants have historically used and continue
8 to use the Tile Mark on the Unauthorized Website.

9 30. Tile is informed and believes, and thereupon alleges, that the Unauthorized
10 Website purports to offer TrackR products for sale.

11 31. At the time of the filing of this Complaint, the Unauthorized Website advertises
12 the expected performance of Defendants’ products specifically in this judicial district, by
13 providing information regarding “TrackR coverage” in the Northern District of California.

14 32. At some time on or before February 18, 2016, Defendants began using the Tile
15 Mark on the webpages of the Unauthorized Website.

16 33. Defendants’ use of the Unauthorized Website and the Tile Mark is likely to cause
17 confusion, mistake or deception and create the erroneous impression that the Unauthorized
18 Website and Defendants’ services and commercial activities have a connection, source,
19 sponsorship, or affiliation with Tile and its services. Such sales made through use of the Tile
20 Mark are misleading to Tile’s current or prospective customers, who believe they are buying
21 merchandise from Tile, an authorized Tile reseller, or some other Tile affiliate.

22 34. Defendants do not have permission or authorization to use the Tile Mark in the
23 advertising and promotion of their goods and services, including on the Unauthorized Website.
24 Nor do Defendants have any permission or authorization to represent or imply that Tile is
25 affiliated, connected, or associated with TrackR or the advertised goods on the Unauthorized
26 Website. Tile is informed and believes, and thereupon alleges, that Defendants, instead of acting
27 with permission or authorization, willfully intended to trade improperly on the recognition of the
28 Tile Mark. Tile is informed and believes, and therefore alleges, that Defendant Christopher

1 Herbert knew that a customer would be likely to associate Defendants' use of Tile's mark in
2 thtileapp.com with Tile, due to, without limitation, his prior communications with Tile's current
3 and prospective customers on Tile's Twitter page "TheTileApp." Tile further believes, and
4 therefore alleges, that Defendants were fully aware of the scope of Tile's trademark rights and
5 Tile's objections to Defendants' use of Tile's trademarks, due to, without limitation, Tile's
6 communication on November 17, 2015, January 14, 2016, and March 2, 2016.

7 35. Defendants' use of the Unauthorized Website and the Tile Mark deprives Tile of
8 the ability to control and maintain the high quality of goods and services under the Tile Mark.
9 Defendants' use of the Unauthorized Website and the Tile Mark has caused, and will continue to
10 cause, a likelihood of confusion among the public by causing individuals to attribute incorrectly
11 the quality and content of Defendants' offerings to Tile. That likelihood of confusion jeopardizes
12 Tile's relationship with its current and prospective customers. That confusion also places Tile's
13 valuable reputation in the hands of a competitor and its owner.

14 36. Defendants' use of the Unauthorized Website and the Tile Mark has caused, and
15 continues to cause, irreparable injury to Tile and its reputation and goodwill, and unless enjoined
16 it will cause further irreparable injury for which Tile has no adequate remedy at law.

17 37. Because Defendants undertook their use of the Unauthorized Website and
18 unauthorized use of the Tile Mark with full knowledge of Tile's trademarks, ownership rights,
19 and objection to Defendants' use, Defendants' use and infringement of the Tile Mark are willful
20 and intentional.

21 38. Tile is informed and believes, and thereupon alleges, that as the CEO and Co-
22 Founder of TrackR, Christopher Herbert participated in or directed the use of the Tile Mark and
23 use of the Unauthorized Website. Tile is further informed and believes, and therefore alleges,
24 that Christopher Herbert has a right and ability to control TrackR's use of the Tile Mark and use
25 of the Unauthorized Website and has a direct financial benefit from these uses. Additionally, Tile
26 is further informed and believes, and therefore alleges, that Defendant Herbert has the ability to
27 control TrackR's infringing and misleading activity, including TrackR's use of the Tile Mark and
28 use of the Unauthorized Website, that Herbert had a partnership with TrackR, and that he has the

1 ability to bind TrackR in transactions with third parties.

2 39. Tile is informed and believes, and thereupon alleges, that as the CEO and Co-
3 Founder of TrackR, Herbert intentionally induced TrackR's use of the Tile Mark and use of the
4 Unauthorized Website.

5 40. Tile is informed and believes, and therefore alleges, that Defendants' use of the
6 Unauthorized Website and the Tile Mark represents only part of a larger pattern and practice by
7 Defendants to confuse and mislead the public. Defendants' refusal to address Defendants'
8 trademark infringement, unfair competition, and other violations of Tile's rights as discussed
9 above, further contributes to this scheme.

10 41. Tile seeks damages and the injunctive relief of preventing Defendants from using
11 the Tile Mark and the Unauthorized Website (including the thtileapp.com domain name) without
12 authorization.

13 **CLAIMS FOR RELIEF**

14 **FIRST CLAIM**

15 **(Trademark Infringement and Counterfeiting – Federal Law)**

16 42. Tile incorporates all paragraphs above by reference.

17 43. Before engaging in their infringements, Defendants had actual knowledge of Tile's
18 ownership of and exclusive right to use the registered Tile Mark. Defendants continue to
19 maintain the Unauthorized Website and to use the registered Tile Mark without authorization.

20 44. Defendants' acts constitute trademark infringement and counterfeiting of the
21 registered Tile Mark in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

22 45. Defendants have not obtained a license or permission from Tile to use the
23 registered Tile Mark. Nor have they sought to do so.

24 46. Defendants' use of counterfeit(s) of the registered Tile Mark is likely to cause
25 confusion, mistake, or deception and create the erroneous impression that Defendants' goods,
26 services, and commercial activities have a connection, source, sponsorship, or affiliation with Tile
27 or Tile's goods and services.

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1 actions have been knowing, deliberate, willful, intentional, and malicious in light of Tile's rights,
2 and the ongoing dispute between Tile and Defendants.

3 57. As a result of Defendants' cyberpiracy in violation of 15 U.S.C. § 1125(d)(1), Tile
4 has suffered damages in an amount to be determined at trial. Pursuant to 15 U.S.C. § 1117, Tile
5 is further entitled to treble damages and attorneys' fees and costs.

6 58. Under 15 U.S.C. § 1117(d), Tile may elect, at any time before final judgment is
7 entered by the trial court, to recover, instead of actual damages and profits for Defendants'
8 violation of 15 U.S.C. § 1125(d)(1), an award of statutory damages of up to \$100,000, as the
9 Court considers just.

10 59. As a result of Defendants' cyberpiracy in violation of 15 U.S.C. § 1125(d)(1), Tile
11 has suffered, and will continue to suffer, irreparable harm. Tile's remedy at law is not by itself
12 adequate to repair the harm from Defendants' actions, and the irreparable harm that Tile suffers
13 will continue unless this Court enjoins Defendants' ownership and use of the domain and
14 operation of the Unauthorized Website. Tile therefore is entitled to protection by injunctive
15 relief, including transfer of the domain thtileapp.com to Tile.

16 **THIRD CLAIM**

17 **(Unfair Competition – Federal Law)**

18 60. Tile incorporates all paragraphs above by reference.

19 61. Defendants' actions constitute unfair competition in violation of Section
20 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A).

21 62. Defendant's use of the Tile Mark is likely to cause confusion, mistake, or
22 deception and create the erroneous impression that Defendants and their goods and services are
23 affiliated, connected, or associated with Tile.

24 63. Tile has suffered harm and damage by Defendants' wrongful acts, and that damage
25 will continue unless the Court enjoins Defendants' actions.

26 64. As a consequence of Defendants' violations, Tile is entitled to the relief requested
27 below.

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FOURTH CLAIM**(Trademark and Trade Name Infringement – California Common Law)**

65. Tile incorporates all paragraphs above by reference.

66. Tile owns and has valid common-law rights in the Tile Mark in connection with the offer and provision of its services.

67. Defendants have not obtained a license or permission from Tile to use the Tile Mark, nor have they sought to do so.

68. Defendants' use of the Tile Mark infringes upon Tile's common law trademark and trade name rights; is likely to cause confusion, mistake, and deception among consumers and the public as to the source, origin, affiliation, sponsorship and/or quality of Defendants' services and commercial activities; and is likely to confuse the public into believing that Tile was or is the source or sponsor of Defendants' services, website, domain name, commercial activities, and business in violation of the common law. These actions thereby damage Tile and the public.

69. Defendants knew or, in the exercise of reasonable care, should have known that their conduct was likely to mislead the public and harm Tile.

70. Defendants deliberately used mark(s) identical or nearly identical and confusingly similar to Tile's Mark for the purpose of misappropriating Tile's extensive goodwill and causing confusion, mistake, or deception among consumers and the public. Tile is informed and believes, and thereupon alleges, that Defendants' violations of Tile's common law trademark and trade name rights were knowing, deliberate, willful, malicious, oppressive, and fraudulent.

71. Tile has no adequate remedy at law for Defendants' continuing violation of Tile's rights.

72. Tile has suffered irreparable harm and damage by Defendants' wrongful acts, and that damage will continue unless the Court enjoins Defendants' actions.

73. As a consequence of Defendants' actions, Tile is entitled to the relief requested below.

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FIFTH CLAIM**(False Advertising and Unfair Competition – California Statute)**

74. Tile incorporates all paragraphs above by reference.

75. Defendants' actions constitute false advertising and unfair competition in violation of California Business & Professions Code §§ 17500 *et seq.* and 17200 *et seq.*

76. Defendants' use of the Tile Mark and advertisements regarding the "thinnest" device are likely to cause confusion, mistake, or deception and to create the erroneous impression that Defendants and their goods and services have an affiliation, connection, or association with Tile.

77. Tile is informed and believes, and thereupon alleges, that Defendants have obtained money or property through their misconduct that rightly belongs to Tile and that they have deprived Tile of that money or property.

78. Tile has suffered harm and damage by Defendants' wrongful acts, and that damage will continue unless the Court enjoins Defendants' actions.

79. As a consequence of Defendants' actions, Tile is entitled to the relief requested below.

SIXTH CLAIM**(Unfair Competition – California Common Law)**

80. Tile incorporates all paragraphs above by reference.

81. Defendants' unauthorized use of the Tile Mark and/or of advertisements regarding the "thinnest" device constitutes unfair competition in violation of the common law of California. For example, by using the Tile Mark, Defendants are attempting to claim or pass off the Unauthorized Website and its advertised products as coming from or having an association with Tile. Defendants' false and misleading description of the TrackR Bravo also attempts to draw an association with Tile and/or unlawfully deprive Tile of sales.

82. Tile has no adequate remedy at law for Defendants' continuing violation of Tile's rights.

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1 83. Tile has suffered irreparable harm and damage by Defendants' wrongful acts, and
2 that damage will continue unless the Court enjoins Defendants' actions.

3 84. As a consequence of Defendants' actions, Tile is entitled to the relief requested
4 below.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Tile asks the Court for a judgment against Defendants TrackR and
7 Christopher Herbert as follows:

8 1. Permanently enjoining Defendants, including all officers, agents, servants,
9 employees, and attorneys of TrackR, as well as their successors and assigns, and all persons
10 acting in active concert or participation with any of them, who receive actual notice of the Order
11 of this Court, from using the Tile Mark or advertising regarding the "thinnest" device, on any
12 website, in advertising or promotional materials, in connection with the sale of their goods or
13 services, or in any other fashion in commerce;

14 2. Ordering Defendants to transfer the domain name thtileapp.com to Tile;

15 3. Ordering Defendants, pursuant to 15 U.S.C. § 1118, to deliver up for destruction
16 or impoundment, or to show proof of destruction or impoundment, to eliminate the infringing
17 matter in all articles, documents, files, advertisements, promotional items, servers, other storage
18 media, systems, or other matter in their possession, custody, or control that infringe or otherwise
19 violate Tile's rights in the Tile Mark;

20 4. An award of three times Tile's actual damages, Defendants' profits and costs of
21 suit;

22 5. An award, if Tile elects, of treble damages under 15 U.S.C. § 1117(b) for
23 Defendants' use of a counterfeit mark;

24 6. An award, if Tile elects, of statutory damages of \$2,000,000 per counterfeit mark
25 under 15 U.S.C. § 1117(c) for Defendants' violation of 15 U.S.C. § 1114;

26 7. An award, if Tile elects, of statutory damages of \$100,000 for Defendants'
27 cyberpiracy in violation of 15 U.S.C. § 1125(d)(1);

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1 8. An award of restitution to Tile of all money, property, and profits that Defendants
2 have diverted from Plaintiff or that Defendants have unlawfully gained;

3 9. An award of attorneys' fees and costs in this exceptional case, as the Lanham Act
4 authorizes;

5 10. Pre- and post-judgment interest on any monetary award; and

6 11. Any other relief that this Court deems just and proper.
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8 Dated: October 14, 2016

FENWICK & WEST LLP

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10 By: /s/ Patrick E. Premo

Patrick E. Premo

Attorneys for Plaintiff

TILE, INC.
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JURY DEMAND

Plaintiff hereby demands a trial by jury on all claims.

Dated: October 14, 2016

FENWICK & WEST LLP

By: /s/ Patrick E. Premo

Patrick E. Premo

Attorneys for Plaintiff
TILE, INC.

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